

## Message Text

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71

ACTION OPIC-06

INFO OCT-01 ARA-06 ISO-00 EB-07 AID-05 TRSE-00 XMB-02

FRB-03 CIAE-00 INR-07 NSAE-00 /037 W

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P 291950Z SEP 76

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC PRIORITY 7333

LIMITED OFFICIAL USE BUENOS AIRES 6393

FOR OPIC

E.O. 11652: N/A

TAGS: EFIN

SUBJECT: BAN ON REPATRIATION

REF: STATE 238140

1. REGULATIONS FOR THE FOREIGN INVESTMENT LAW STILL HAVE NOT BEEN PUBLISHED AND THERE IS NO INDICATION YET WHEN THEY WILL BE. WALL STREET CORRESPONDENT WHO WROTE ARTICLE ON REPATRIATION RESTRICTIONS INFORMED EMBASSY HE OBTAINED INFORMATION SOLELY FROM LOCAL PRESS STORIES. THESE ARTICLES REPORTED THAT THE FOREIGN INVESTMENT REGULATIONS WILL NOT PERMIT REMITTANCES OF PROFITS AND OF CAPITAL FOR A PERIOD OF SIX MONTHS BECAUSE OF BALANCE OF PAYMENTS DIFFICULTIES. THE ARTICLES ADDED, HOWEVER, THAT IN THE EVENT REMITTANCES ARE NOT PERMITTED, THE INVESTOR MAY OBTAIN EXTERNAL BONDS FROM THE CENTRAL BANK FOR AN EQUIVALENT AMOUNT.

2. PASA DEPUTY FINANCIAL DIRECTOR OUTES INFORMED EMBASSY REQUEST FOR REMITTANCE OF DEBENTURES AND INTEREST OWED TO METROPOLITAN LIFE IS UNDER CONSIDERATION OF WALTER KLEIN, SECRETARY FOR PROGRAMMING AND COORDINATION IN MINISTRY OF ECONOMY. OUTES SAID HE IS OPTIMISTIC THAT PASA WILL BE ALLOWED TO REMIT THESE PAYMENTS.

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3. THE EMBASSY CURRENTLY CONVERTS DOLLARS AT RATE OF 247

PESOS/DOLLARS. USG USE OF PESOS HAS BEEN AVERAGING 12 MILLION PESOS/MONTH AND ACCOMMODATION EXCHANGE 26 MILLION PESOS/MONTH. IF PASA IS ENTITLED TO RECEIVE DOLLAR-DENOMINATED INTEREST BEARING EXTERNAL BONDS, OPIC MAY FIND IT ADVANTAGEOUS TO HOLD THE BONDS UNTIL CONVERTIBILITY RESTRICTIONS ARE LIFTED RATHER THAN SELL THE PESOS TO THE EMBASSY.

4. EMBASSY WILL REPORT ANY FIRM INFORMATION ON WHETHER REMITTANCE RESTRICTIONS WILL APPLY TO DEBENTURES AND INTEREST PAYMENTS AS WELL.  
HILL

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** REPATRIATION, FOREIGN INVESTMENT, LAW  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 29 SEP 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** ShawDG  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976BUENOS06393  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760367-1275  
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**Office:** ACTION OPIC  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 STATE 238140  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** ShawDG  
**Review Comment:** n/a  
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**Review Date:** 14 JUL 2004  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** BAN ON REPATRIATION  
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**To:** STATE  
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